

Globalia in talks to buy Ambassador Hotel

Spanish conglomerate interested in purchasing Condado property at significant discount; Hyatt Place, Marriott hotels scheduled to join Hyatt House in Convention Center District

BY DENNIS COSTA
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Spanish travel and tourism conglomerate Globalia Corporación Empresarial SA is in negotiations to purchase the Radisson Ambassador Plaza Hotel & Casino in San Juan's Condado sector, several people close to the matter told CARIBBEAN BUSINESS.

The company—based in Lluçmajor, Mallorca, and comprising several firms including airline Air Europa, online travel agency Halcón Viajes, trip wholesaler Travelplan and the Be Live hotel-brand chain, among other holdings—recently announced plans to invest about \$60 million in three San Juan hotels, as well as other potential investments in Aguadilla in the island's northwest sector.



Globalia President Juan José Hidalgo

According to an industry source, the Ambassador, which is owned by Caribbean Property Group (CPG), is foremost among Globalia's possible acquisitions, with company execs expecting to obtain the property at a significant discount from what the current owners are suggesting. In exchange, Globalia would shoulder the Ambassador's current debts and carry out its own remodeling process in the hotel.

"The owners of the Ambassador expect to sell the hotel at around \$30 million, but the Globalia people are only willing to go as high as \$10 million," the source said.

This goes roughly in line with previous reports stating Globalia is dividing part of its \$60 million investment into \$11.5 million for the acquisition of a small hotel establishment, while a total of \$44 million will be dedicated toward the remodeling of two bigger buildings in the Condado area that are as yet unrevealed.

Globalia President Juan José Hidalgo announced the planned hotel investments in mid-May while in Puerto Rico for Air Europa's first direct flight from Madrid to Luis Muñoz Marín International Airport in San Juan.

Air Europa will operate twice-weekly nonstop flights between San Juan and Madrid. The trans-Atlantic route between the two capital cities will be covered by 299-seat Airbus A330. Plans call for two flights a week and the addition of a Puerto Rico-Dominican Republic route later this year.

There is also talk in some circles that several other Puerto Rico hotels are looking for interested buyers in a bid to quietly exit the market, other industry players said off the record.

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NEW HOTELS AT CONVENTION CENTER

This latest development follows an announcement earlier this week by Economic Development & Commerce Department Secretary Alberto Bacó Bagué for an ambitious government target to double the island's number of hotels over the next decade, which he maintains will bring the existing 14,000 rooms to more than 28,000.

A high-ranking government official recently confirmed that plans are underway to build a Hyatt Place Hotel and a Marriott resort on available lots in the Convention Center District in San Juan's Miramar district.

The Hyatt Place Hotel will reportedly have a similar makeup to those already built in Bayamón and Manatí, as well as roughly the same number of rooms as the Hyatt House Hotel, which is nearly complete in the Convention Center District.

The Marriott, meanwhile, is slated to be significantly bigger in scope, and features a similar number of rooms as the Sheraton Hotel at the Convention Center, one of the biggest on the island, with up to 500 rooms. ■



Paper or Plastic?

By: Sebastián Torres-Rodríguez Esq.

As you read this article, four trillion copies of documents are being stored by businesses and government agencies in the U.S. alone.

In order to store them, the average office worker continues to use a staggering 10,000 sheets of copy paper every year, equal to two full cases of paper. With an average price of \$40 for a case of standard copy paper, this is an \$80 annual cost per employee, not including the costs of office space and filing cabinets.



In today's business world, the need to search and retrieve information contained in stored documents is an irrefutable reality. One of the most used solutions to this profit-wasting conundrum is electronically stored information (ESI). However, many companies share the same concern: What are the legal implications if documents are stored digitally?

Contrary to what most people think, in practice there are no major legal drawbacks to the use and presentation of ESI compared with physical documents.

Under the Rules of Evidence of Puerto Rico and the Federal Rules of Evidence for electronically stored information, an original means any printout if it accurately reflects the information. A duplicate means a counterpart produced by an electronic or other equivalent process that accurately reproduces the original.

If your business information is stored directly into a digital system, a printout will be considered an original document. On the other hand, if it is a digitally stored electronic copy of a physical document it will constitute a duplicate.

Both Federal and State Rules of Evidence establish that a duplicate and an original are equally admissible in court unless a genuine question is raised about their authenticity. Therefore, the essential element in the presentation of ESI in a court of law would be the authenticity and the reliability of its content. Thus it must be proved that the ESI accurately reflects the true content of the original information and that no alteration, modification or forgery exists.

Accordingly, to avoid problems using ESI, a company must establish and adopt policies and measures to preserve the integrity and content of digitally stored documents as part of its electronic information storage system. In other words, it must adopt guidelines to ensure that the information to be stored digitally cannot be modified or altered, either intentionally or accidentally.

In conclusion, ESI will be admissible in a court of law as long as it complies with the same requirements of authenticity and admissibility required for physical documents.

In this regard, there may be additional requirements depending on the particular industry, thus I suggest consulting legal counsel in developing and adopting ESI policies.



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